

FISCAL NOTE

SB 350 - HB 1034

April 4, 2003

SUMMARY OF BILL: Changes the way net worth is calculated for the purposes of the **franchise** tax. Currently, the numerator is calculated as a property factor, plus a payroll factor, plus *twice* the receipts factor. Under this bill, the numerator would be calculated as a property factor, plus a payroll factor, plus *three* times the receipt factor.

ESTIMATED FISCAL IMPACT:

Increase State Revenues - \$2,000,000

Increase State Expenditures - \$58,800 One-Time

Estimate assumes:

- using a triple weighted sales formula for calculating franchise taxes is estimated to result in an increase in state revenues of approximately \$2,000,000.
- one-time expenditures to the state of \$32,800 for systems changes and \$26,000 for forms changes associated with the implementation of the bill.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director